



WEEKLY REPORT

WEEK 23 – June 11, 2023

This week's highlight was the OPEC + meeting on last Sunday, the Organization of the Petroleum Exporting Countries (OPEC) and its allies have decided to maintain their planned oil production cuts for this year. Saudi Arabia, the coalition chair, announced further voluntary declines. OPEC+ also stated that they would limit combined oil production to 40.463 million barrels per day from January to December 2024. Russia confirmed that their voluntary cuts, initially set to expire after 2023, would now be extended until the end of 2024. However, there were discrepancies between the figures supplied by Russia and independent estimates, leading to concerns about Russia's commitment. Saudi Arabia announced an additional voluntary reduction of 1 million barrels per day for one month starting in July, which could be extended. The alliance also agreed to review baselines for 2025, which determine output levels, after a study by oil analysts. The outcome of the meeting and future reductions will impact oil futures prices.

While in China, the producer price index data released showed that China's producer prices plunged the most in seven years as deflation hung over the economy.

China's producer prices have experienced their most significant plunge in seven years, indicating the presence of deflationary pressures on the economy. Despite the lifting of strict COVID-19 lockdown measures, the economy is struggling to recover, with inflation remaining at low levels in May. The producer price index fell by 4.6% year-on-year, surpassing the decline of 3.6% observed in April and falling below the expected 4.3% decline. In contrast to major economies worldwide grappling with high inflation, China's consumer prices rose modestly by 0.2%. The nation's cooling economy is attributed to weak global commodity prices and overall demand, as highlighted by recent economic indicators.

One pressing concern that Beijing is trying its best to address is the soaring youth unemployment rate, which currently stands at alarming levels. Until this crucial issue is effectively tackled, consumer confidence in spending is unlikely to improve. Addressing unemployment among young people is crucial for revitalising the economy and promoting a culture of consumerism.

In summary, China's recent decision to lower deposit rates in state-owned commercial banks aims to promote economic growth. However, it remains uncertain whether this measure alone can effectively stimulate spending, as youth unemployment poses a significant obstacle that needs to be resolved to restore consumer confidence.

While the United States and other Western economies are struggling with significant weaknesses, particularly in their industrial sectors, China's economic performance remains comparatively strong. However, it is argued that there is a tendency in the media to portray Western economies in a more positive light and China's economy in a more negative light. Recent data reveals that U.S. retail sales have failed to outpace inflation in five out of the last six months, reminiscent of the 2009 Great Financial Crisis. In contrast, China's retail sales have been robust, with a year-on-year growth of 18.3% even after adjusting for inflation.

Dry Bulk

Amidst a tumultuous period marked by considerable uncertainty and disruptive events in various commodity sectors, the focus of the market is now shifting towards the familiar dynamics of supply and demand that have long influenced profitability in the dry bulk industry. As trade gradually returns to normalcy, attention is drawn to the critical role played by demand and supply in determining the profitability of this sector. Looking ahead, the growth in fleet supply appears to be modest, making demand the primary factor influencing spot freight rates. In this context, China is poised to regain its position as the driving force behind bulk imports and, consequently, shipping demand, cementing its status as the dominant player in the industry.

Capesize:

Capesize this week saw a significant improvement in average spot rates, rising by more than a third in the past week. This comes after three weeks of steady declines, as demand for iron ore has rebounded compared to last year. Baltic 5TC spot-rate averages across five key routes saw an increase by 36% to US\$12,560 per day on Friday. The recent rise in the Capesize market is evident in fixtures, with Rio Tinto fixing a Capesize vessel to transport 170,000 tonnes of iron ore from Australia to China at a higher rate than earlier this month. The average spot rates for benchmark iron ore routes have played a significant role in this upturn, with the rates for the C10 and C14 routes between Australia - China and Brazil - China, respectively, showing substantial gains.

Panamax/Kamsarmax:

Panamax witnessed a week of contrasting fortunes. It began strongly, carrying over the positive sentiment from the previous week. Solid fresh demand in both basins propelled rates upward. However, market fragility resurfaced mid-week, as bids retracted despite slight reductions in offers, resulting in a stand-off by week's end. Fronthaul demand dominated the Atlantic, with June arrivals from EC South America fetching as high as US\$15,000 a day. Mineral demand from Australia supported Indonesian supply as Pacific r/v levels bounced to US\$ 8,600's a day.

Supramax/Ultramax:

It has been a turbulent week for Supramax, as sentiment remains largely negative. Despite a small influx of new cargo, there was an abundance of available ships ready for immediate hire, which has kept freight rates in check. Owners are engaged in fierce competition to secure contracts for their vessels. In the Atlantic, a 59,000-ton ship reportedly booked scrap cargo from the Baltic to the U.S. East Coast for US\$8,250 a day. In Asia, the situation slightly improved with some cargo from Indonesia, but overall negativity persisted. A 60,000mt in China secured a trip to Indonesia and will return to China for US\$5,000 a day, while a 63,000mt vessel agreed to a trip from Hong Kong via Australia to Singapore-Japan for US\$8,000 a day.

Handysize:

Handysize saw a decline in activity in both basins this week, leading to lower rates. In Iskenderun, 28,000dwt vessel was chartered for a journey from Port Said to EC India through the Red Sea, at a rate of US\$6,250 a day. In Asia, a 32,000-dwt vessel was fixed from Thailand to Southeast Asia via Australia for a price in the low US\$7,000's a day, while a 29,000-dwt ship carried grains from Bunbury to Vietnam at around US\$12,000 a day. Levels in the T/A also fell, with average recording levels of US\$ 7,600's a day.

Dry Bulk – S&P Report

NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) IN USD	COMMENTS / BUYERS
HERUN ZHOUSHAN	CAPE	181,056	2017	CHINA	41.5	GREEK BUYERS
HANABUSA	PANAMAX	77,247	2007	JAPAN	UNDISCLOSED	CHINESE
BELVEDERE	ULTRAMAX	66,637	2015	JAPAN	27.5	GREEK
ARTEMIS A	SUPRAMAX	57,000	2011	CHINA	16.7	TURKISH
ZHOU SHAN HAI YUAN AN HAI YUAN SHUN HAI JINZHOU HAI	SUPRAMAX	56,987 56,957 56,956 56,907	2009	CHINA	UNDISCLOSED	UNDISCLOSED
ARKADIA / KUMPULA	SUPRAMAX	56,348	2012	VIETNAM	ENBLOC 17.25	UNDISCLOSED
NORD TREASURE	SUPRAMAX	55,888	2014	JAPAN	21.2	UNDISCLOSED
JIANGMEN NANYANG 616	HANDYMAX	40,500	2023	CHINA	32.0	GERMAN BUYERS
SUPER EMMA	HANDY	37,277	2008	JAPAN	14.40	UNDISCLOSED
CIELO DI PALERMO	HANDY	37,059	2013	JAPAN	18.50	UNDISCLOSED
SEASTAR ENDURANCE	HANDY	34,290	2011	CHINA	11.75	UNDISCLOSED
SIRAYA WISDOM	HANDY	21,118	2007	JAPAN	UNDISCLOSED	UNDISCLOSED
PAZEH WISDOM	HANDY	18,969	2009	JAPAN	8.50	UNDISCLOSED

Dry Bulk Values (Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	63	64	52	32	14
KAMSARMAX	82,000	34	39	33	24	10
SUPRAMAX	56,000	33	37	31	20	9
HANDY	38,000	30	31	26	18	7

**(Amount in USD million)*

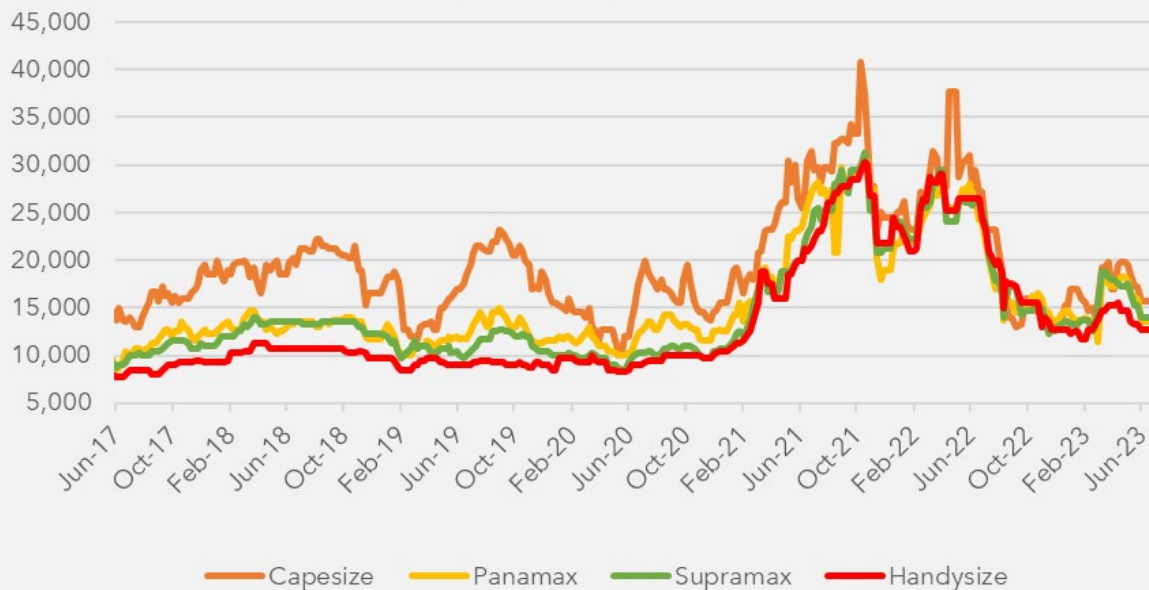
Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,055	919	2,320	+14.79%	-54.53%
BCI	1,514	1,116	2,371	+35.66%	-36.15%
BPI	1,146	1,030	2,629	+11.26%	-56.41%
BSI	736	819	2,495	-10.13%	-70.50%
BHSI	501	545	1,417	-8.07%	-64.64%

Bulkers 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	16,000	15,250	27,000	+4.92%	-40.74%
PANAMAX	75,000	12,500	12,000	24,250	+4.17%	-48.45%
SUPRAMAX	52,000	12,250	12,250	25,750	0	-52.43%
HANDYSIZE	32,000	9,350	9,350	26,500	0	-64.72%

Dry Bulk 1 year T/C rates



Tankers

The crude freight market for VLCC tankers experienced a decline in sentiment during May, with decreasing demand ton-miles and freight rates. In contrast, Suezmax tankers saw a positive surge, with growing dirty ton-miles to all destinations compared to the previous quarter.

The first half of the year is expected to end on a stronger note for Suezmax crude tanker shipments, while the VLCC segment faces challenges due to increased vessel supply and declining dirty ton-miles. Additional risks and challenges are anticipated in the tanker freight market, particularly with the potential introduction of Europe's 11th Russian sanctions package. Speculation about new sanctions on Russia's energy sector has created uncertainty, leading to cautious market sentiment and potential volatility in freight rates.

Overall, sentiment remained weaker in the crude oil freight market in May, except for the Aframax Med route, which rebounded. VLCC and Suezmax freight rates dropped, while Aframax Med rates remained above previous lows. The supply of crude oil tankers increased overall, but some specific tankers were below the annual average. The demand for Suezmax tankers remained strong, while VLCC ton days showed early signs of recovery. Clean and Panamax demand ton days continued to grow, albeit below previous peaks. The MR2 size category also experienced an increase in ton days growth.

VLCC:

In a busier week, shipowners have managed to make slight improvements in rates. 270,000mt MEG to China improved to WS48. Similarly, 280,000mt MEG to USG, is now assessed higher at WS32. In the Atlantic, the rate for 260,000mt from WAFR to China has climbed to WS50.

Suezmax:

Suezmax rates have experienced a decline across various routes. 135,000mt C.P.C. to the Med has fell to WS110. Similarly, there has been a comparable decrease in the rate for the 130,000mt Nigeria to Rotterdam trip, down to WS90, with a round trip T.C.E. of US\$32,500 per day. In the Middle East, the rate for 140,000mt from Basrah to Lavera has eased by five points to WS60.

Aframax:

In the North Sea, the rate for 80,000mt Hound Point to Wilhelmshaven fell to WS140 level. Meanwhile, in the Mediterranean, rates fell significantly, with 80,000mt Ceyhan to Lavera losing 21 points and reaching WS149.5. In the Atlantic, 70,000mt EC Mexico to the USG surged by 37.5 points to WS177. Meanwhile, Trans-Atlantic 70,000mt from the U.S. Gulf to Rotterdam, saw levels improved by 34 points since last Friday, settling at WS177.5. This corresponds to a round-trip T.C.E. of US\$45,600 per day.

Clean:

L.R. 2: Over the past week, the LR2 market for M.E.G. trips has experienced a bearish sentiment, resulting in a decline in freight rates. TC1, has plummeted few points to WS114.38. Additionally, TC20, has suffered a further decrease of US\$684,000, bringing the total to US\$3,157,000. Similarly, in the region west of Suez, LR2 rates for voyages between the Mediterranean and the East have also declined. TC15 fell to levels of US\$2,729,000, reflecting an almost 10% drop.

L.R. 1: The performance of LR1 tankers in the M.E.G. market has been disappointing due to reduced demand. TC5 saw a significant decline slipping to WS128.57. On the UKC route, TC16 experienced a mid-week decrease to WS127.5, influenced by recurring negative reports.

MR: M.R. tankers in the M.E.G. market experienced a downward correction this week. As a result, the TC17 index declined to WS236, despite an oversupply of tonnage on the UKC. The TC2 index also saw a significant drop to WS177, while TC19 fell to WS187. In the U.S.G., M.R. rates briefly increased mid-week before returning to lower levels. TC18 settled around WS175.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MARIA P. LEMOS	VLCC	319,191	2018	S.KOREA	94.50	BUYERS DHT
FRONT NJORD	SUEXMAX	156,760	2010	CHINA	44.50	UNDISCLOSED
MARGERETA	AFRAMAX	92,968	2003	S.KOREA	19.00	MIDDLE EASTERN BUYERS
GOLDEN SHINER BOWFIN LAKE STURGEON	LR2	74,999 74,994 74,993	2007 2008 2007	JAPAN	ENBLOC 79.00	UNDISCLOSED
AMAZON BEAUTY	LR2	72,993	2004	S.KOREA	19.50	UNDISCLOSED
TORM SARA	LR2	72,718	2003	S.KOREA	16.5	UNDISCLOSED
STENA PROGRESS STENA PREMIUM	LR1	65,125 65,055	2009 2011	CROATIA	UNDISCLOSED	UNDISCLOSED
SUPER RUBY	MR	50,400	2006	S.KOREA	20.90	UNDISCLOSED
EAGLE BAY	MR	47,134	2008	S.KOREA	24.25	UNDISCLOSED
GULF MISHREF	MR	46,089	2010	S.KOREA	UNDISCLOSED	U.A.E BUYERS
BLUE TRADER	HANDY	37,270	2005	S.KOREA	18.20	U.A.E. BUYERS

Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	126	125	100	76	52
SUEZMAX	160,000	85	89	74	57	31
AFRAMAX	115,000	67	78	63	52	30
PANAMAX-LR1	73,000	57	60	50	40	20
MR TANKER	51,000	46	50	42	34	20

**(amount in USD million)*

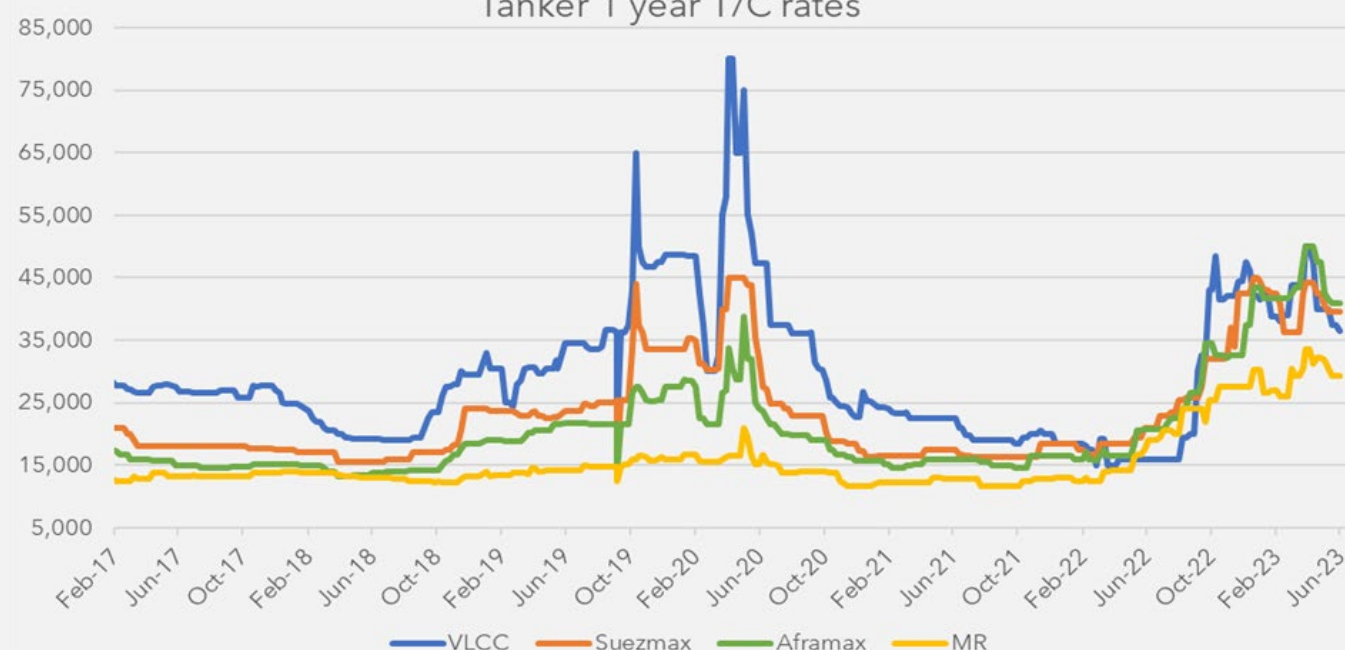
Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,049	1,068	1,126	-1.78%	-6.84%
BCTI	608	670	1,513	-10.06%	-59.81%

Tanker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	36,500	36,500	16,000	0	+128.13%
SUEZMAX	150,000	39,500	39,500	21,000	0	+88.10%
AFRAMAX	110,000	43,500	43,500	20,750	0	+109.64%
LR1	74,000	35,000	35,500	22,500	-1.41%	+55.56%
MR	47,000	26,000	26,000	19,000	0	+36.85%

Tanker 1 year T/C rates



Containers

This week, the charter market for box ships showed contrasting trends, with rates softening in the feeder sector but strengthening in the larger size category. The average long-term charter rate for a 1,700 TEU vessel decreased by 3% compared to the previous week, reaching US\$16,000 per day. However, the corresponding rate for a Post-Panamax 6,800 TEU vessel increased by 2% to US\$42,000 per day. As a result, our Containership T.C.

Rate Index experienced a 1% decline, settling at 113 points. While there was still strong demand for smaller vessels in Asia, operators held off on fixing charters to secure more favorable rates due to an increase in vessel supply. On the other hand, in the larger size category, operators extended laycans for new agreements and extensions in order to secure an adequate supply of available container ships.

Liner operators remained the driving force behind the activity in the boxship charter market, followed by emerging buyers from Turkey and China, who showed particular interest in older vessels. Despite this, several deals emerged throughout the week, indicating a steady flow of transactions in the market.

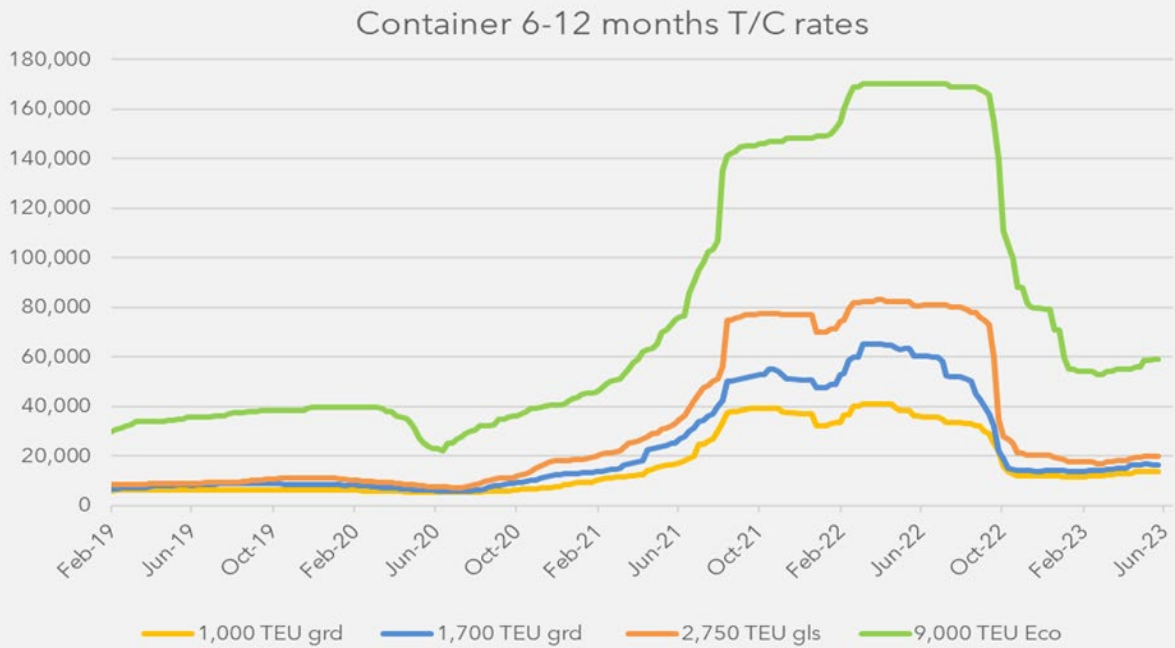
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
UASC ZAMZAM	POST-PANAMAX	9,034	2014	S.KOREA	71.0	BUYERS OLTMANN, GERMANY
ARTHUR MAERSK ARNOLD MAERSK ANNA MAERSK AXEL MAERSK	POST-PANAMAX	8,272	2003	DENMARK	ENBLOC 30.00	BUYER GLOBAL SHIP LEASE, U.K.
NORTHERN PRIORITY	PANAMAX	4,616	2009	S.KOREA	UNDISCLOSED	BUYER MESSINALINE, ITALY
NORTHERN PROMOTION			2010			
NORTHERN DEFENDER NORTHERN DEDICATION NORTHERN DELEGATION	PANAMAX	3,534	2009 2010 2008	CHINA	17.0 EACH	BUYER GFS, U.A.E.
ACX PEARL	FEEDER	2,858	2008		15.50	BUYER COSMOSHIP, GREECE
JIANGSHU YANGXI XINFU YZJ 2015-2080	FEEDER	1,800	2023	CHINA	28.0	BUYER NORSE MANAGEMENT
CARLA-LIV	FEEDER	1,730	1999	POLAND	7.70	BUYERS TURKISH
GUANGZHOU TRADER	FEEDER	1,700	2016	CHINA	20.0	BUYER RCL, THAILAND
ITHA BHUM	FEEDER	1,498	1996	JAPAN	4.90	BUYERS CHINESE

Containers Values

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	23	22	15	10	8
1,600 – 1,800	Geared	29	28	22	16	12
2,700 – 2,900	Gearless	43	38	30	20	15
5,500 – 7,000	Gearless	88	80	70	65	N/A

**(amount in USD million)*



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) <i>*For green ship recycling, the prices are about US\$10-15/ton lower.</i>	530 ~ 540	510 ~ 520	530 ~ 540	540 ~ 550	STABLE / 
*CHATTOGRAM, BANGLADESH	560~570	550~560	540~550	590 ~ 600	WEAK / 
GADDANI, PAKISTAN	NA	NA	NA	NA	NA
TURKEY <i>*For Non-EU ships. For E.U. Ship, the prices are about US\$20-30/ton less</i>	320 ~ 330	310 ~ 320	300 ~ 310	330 ~ 340	STABLE / 

- All prices are USD per light displacement tonnage in the long ton.
- The prices reported are net prices offered by the recycling yards.
- Prices quoted are basis simple Japanese / Korean-built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.
- * Prices are subject to the availability of the Letters of Credit.

5-Year Ship Recycling Average Historical Prices

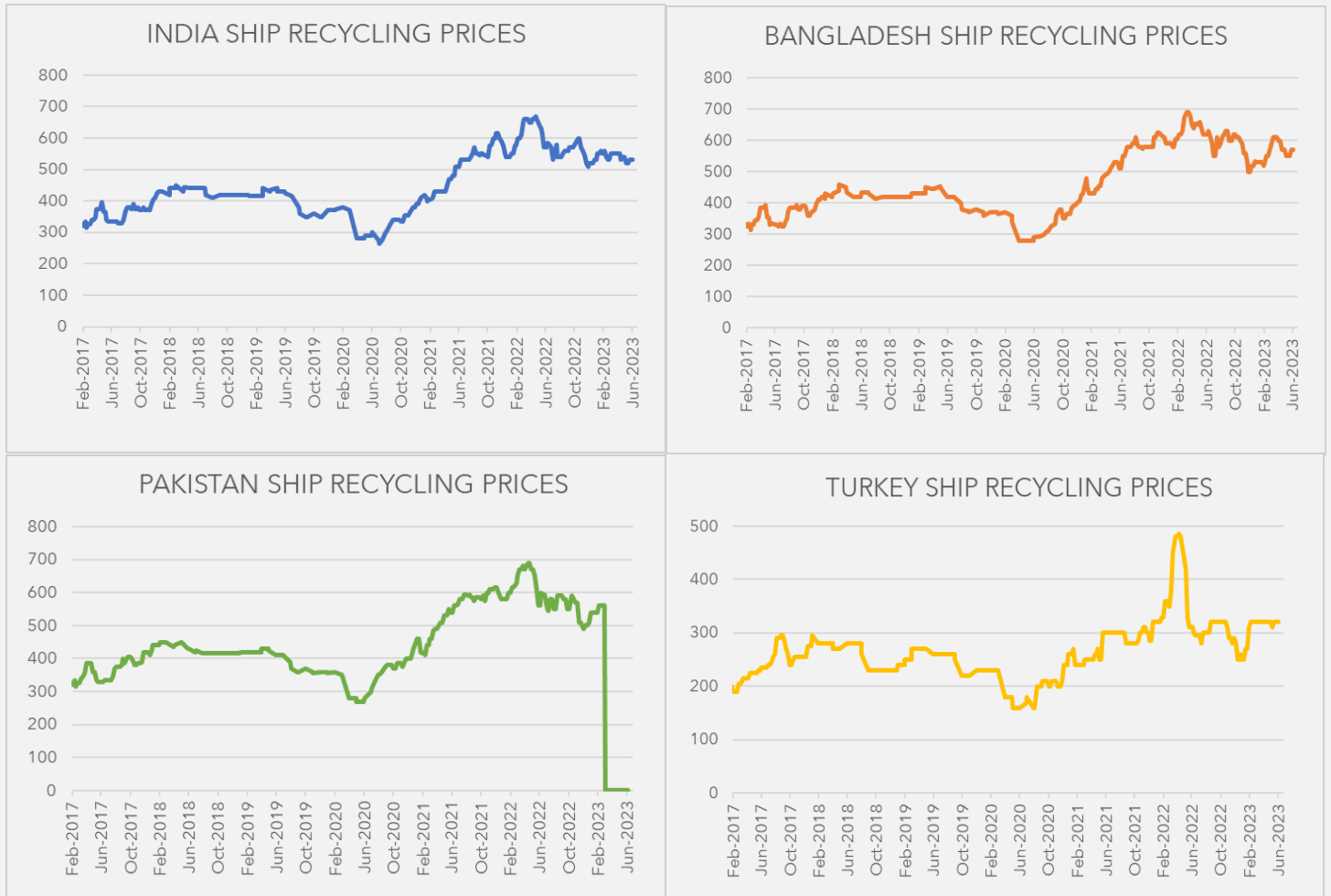
(Week 23)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	435	315	520	630
CHATTOGRAM, BANGLADESH	435	420	300	550	615
GADDANI, PAKISTAN	420	410	290	540	600
ALIAGA, TURKEY	290	270	170	290	345

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
MSC NICOLE	13,961	1989 / FRANCE	CONTAINER	521	DELIVERED ALANG / HKC RECYCLING / BULKER CONVERTED TO CONTAINER SHIP
JASMINE II	9,563	1997 / CHINA	BULKER	585	DELIVERED CHATTOGRAM / 150 MT ROB, INCLUDED IN THE SALE

Recycling Ships Price Trend



Insight

This week, Bangladesh's markets experienced a sudden and alarming setback as issues surrounding Letters of Credit (L.C.) have resurfaced. Unofficial communication from banks to their clients has indicated their inability to issue L.C. for new purchases. This unexpected development has caused confusion and uncertainty within the market.

Market volatility is an inherent aspect of the industry, and currently, the freight rates have been volatile, leading to a considerable number of ships becoming perfect recycling candidates. Meanwhile, the local demand in the Sub-Continent for ship scrap is gradually waning, adding to the mounting pressure.

In a broader sense, the markets are taking a negative turn, and a price drop appears to be on the horizon for the time being. Whether this will be a short-term or long-term trend depends on various factors. Nonetheless, recyclers are adopting an extremely cautious approach at present.

In China, the two major steelmaking cities in China have implemented production cuts, leading to a surge in finished steel prices on June 5. Tangshan, which is the country's largest steelmaking hub, has instructed its top-ranked producers to halt one sintering machine each until the end of June. Additionally, all other producers in Tangshan have been directed to reduce operations at one blast

furnace each. This move is estimated to result in a daily reduction of 25,000 metric tons of pig iron output in Tangshan, according to market sources and local Chinese press.

The production cuts implemented by these cities are aimed at reducing air pollution and also balancing the steel market, considering the anticipated decrease in demand in the coming months. Typically, the summer season in China experiences lower steel consumption due to rain in the southern regions and hot weather in the northern provinces. These factors have prompted the authorities to take proactive steps to manage the steel market and maintain stability amid the expected decline in demand.

Alang, India

A quiet week for the Alang recyclers. Ships positioned in the western region are making their way to the markets, keeping some recyclers busy while a vast majority stay sidelines waiting for the right opportunity.

The domestic demand is slowing down further as the monsoon season starts, wherein the construction activities across India slow down, dampening the steel demand.

As Pakistan is out of buying and Bangladesh temporarily reduces its buying activities, Indian recyclers are eagerly anticipating an increased supply of ships in the coming months as the ships bound for Bangladesh will now be diverted for Indian markets. However, future price trends will largely hinge on the availability of ships, which appears promising due to recent fluctuations in freight rates. Nevertheless, this surge in supply could also serve as a catalyst for a substantial price correction in the coming months.

For the moment, Alang is the only fully functional recycling market, but apparently, the prices are not upto the competition with Bangladesh and it may take a while for a vast majority of the owners to digest the lower prices before ships make their way eventually.

In a noteworthy transaction this week, M.S.C. has sold their aging converted container vessel, "M.S.C. Nicole", at a significantly reduced price of about US\$521/ton. A couple of months back, this ship would have fetched about US\$540 ~ 550/ton levels. The vessel's lower price can also be attributed to its unconventional characteristics as it was originally a bulker that had been converted into a container ship, featuring a comparatively smaller propeller size, which is not typical for container vessels.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MAERSK ATLANTIC	CONTAINER	5,914	03.06.2023	08.06.2023
SCANLAY-1	PIPE LAY BARGE	1,571	29.05.2023	04.06.2023
KUMUL ARROW	GENERAL CARGO	10,997	29.05.2023	03.06.2023
ENAM	CONTAINER	4,751	24.05.2023	03.06.2023
MSC LUCIA	CONTAINER	8,911	27.05.2023	02.06.2023
NOVO 23	FISH FACTORY	3,861	25.05.2023	02.06.2023

Chattogram, Bangladesh

This week, Bangladeshi banks have reportedly informally expressed their reservations about issuing fresh Letters of Credit to ship recyclers, citing the country's ongoing foreign exchange crisis. The exact timeframe for this restriction remains uncertain; however, considering the prevailing situation in Bangladesh, industry experts speculate that it may take more than a month or two to resolve the issue.

The developments in the coming weeks will be crucial to monitor and analyze.

Chittagong recyclers are anticipated to enter a lull period until the situation stabilises. However, the good news is that there are abundant inventories at the yard, which will support day-to-day sales for the upcoming months. Previously, cutting permissions were withheld due to new regulations, but now they have been gradually given to a vast majority, allowing ships waiting for their cutting permissions to commence production.

In the recently announced budget, the ship recycling industry did not witness any major alterations that directly targeted the ship recycling industry. However, there was one notable change that has surfaced in further clarification that could have implications for the industry. The duty imposed on remnants of bunkers found on recycling ships has seen a substantial increase, rising from 10% to 31%. This adjustment implies that ships arriving with larger quantities of bunkers will face a negative impact on pricing within the industry.

This week, Bangladesh's largest power plant, the 1,320-megawatt Payra Power Plant, was forced to shut down on June 5, Monday due to a lack of funds to purchase coal needed for its operations. The sweltering heatwave in the country has led to a surge in electricity demand, exacerbating the situation. The power plant had already reduced its production last month due to fuel shortages. The shutdown is expected to last approximately three weeks until new coal shipments arrive. Bangladesh is grappling with economic challenges, including a depreciating currency and dwindling foreign exchange reserves. The country has been experiencing nationwide blackouts of up to five hours per day recently. With temperatures reaching 41.1 degrees Celsius, the government has closed primary schools until Thursday to combat the heat. The power shortage not only affects daily life but also poses a threat to Bangladesh's crucial apparel sector, which accounts for over 80 percent of exports. The country's ability to pay for fuel imports has been constrained by the decline in its dollar reserves and the depreciation of the Bangladeshi taka.

This situation has placed the ship recycling business on a minimal priority on the government's agenda. Consequently, the already challenging process of obtaining LC's is likely to become even more complex, exerting additional pressure on ship prices.

Notably, industry experts hold the view that a significant downward adjustment in ship prices is imminent, signaling a substantial overhaul in the market.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MERATUS MAKASSAR	CONTAINER	5,455	08.06.2023	AWAITING
FORTUNE	WOODCHIP	9,730	04.06.2023	07.06.2023
BODR	FISH FACTORY	925	31.05.2023	07.06.2023

SHANG HANG 68	BULKER	6,719	19.05.2023	07.06.2023
WINWIN	REEFER	2,075	24.05.2023	06.06.2023
KAI HANG 3	CONTAINER	3,905	23.05.2023	04.06.2023
XIANG JIANG 6	BULKER	7,290	24.05.2023	04.06.2023
OCEAN GREAT	BULKER	6,311	26.05.2023	03.06.2023

Gaddani, Pakistan

Pakistan's government presented a budget for the upcoming fiscal year on Friday,9, aiming to balance economic growth with IMF-imposed conditions to revive a bailout program. The finance minister outlined a growth target of 3.5% for the fiscal year starting July 1, a challenging goal after factors such as currency depreciation and floods caused G.D.P. growth to plummet to 0.3% this year. The government plans to reduce the fiscal deficit to 6.5% and increase revenue collection by 28% to fund development programs. However, raising taxes could strain the government's popularity ahead of the impending national election. The I.M.F. program's resumption hinges on the proper market functioning of the rupee and adherence to program goals.

Further, it revealed that no changes were made to taxes or duties associated with the ship recycling industry, with the exception of the removal of sales tax on non-ferrous steel.

Consequently, the status quo for ship recycling in the country remains unchanged.

Anchorage & Beaching Position (June 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

The Turkish lira's sharp decline to new record lows against the U.S. dollar has captured market attention this week, despite a lackluster sentiment as investors await the upcoming Federal Reserve meeting. With the USD/TRY exchange rate soaring over 7% to exceed 23.50, the Turkish currency continues its downward spiral.

The initial drop followed Recep Tayyip Erdogan's re-election as Turkish president, but the situation worsened when the country's net foreign exchange reserves turned negative for the first time since 2002. Erdogan's victory has unsettled markets, and despite his professed willingness to enact economic policy changes, the lira remains under severe pressure. Skepticism surrounds Erdogan's commitment, as his impulsive decision-making raises doubts about following through on promises.

On the ship recycling front and ferrous scrap imports, the markets remained quiet as recyclers were trying to digest the recent rout of lira. However, the Turkish ferrous scrap prices stabilised at approx US\$390/ton levels, but traders were reluctant to book fresh cargoes.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh : 17th ~ 20th June | 03rd ~ 06th July | 18th ~ 21st July

Alang, India : 14th ~ 22nd June | 01st ~ 09th July | 13th ~ 22nd July

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	585	442	716
HONG KONG	604	462	689
FUJAIRAH	566	429	837
ROTTERDAM	540	450	690
HOUSTON	532	421	714

EXCHANGE RATES			
CURRENCY	9 th JUNE	2 nd June	W-O-W % CHANGE
USD / CNY (CHINA)	7.12	7.08	-0.56%
USD / BDT (BANGLADESH)	107.73	107.32	-0.38%
USD / INR (INDIA)	82.46	82.39	-0.08%
USD / PKR (PAKISTAN)	286.96	285.59	-0.48%
USD / TRY (TURKEY)	23.37	20.97	-11.44%

Commodities

Insight

Iron ore prices continued to rise on Friday, despite concerns over China's fragile economy due to a surge in demand and a decrease in port inventories. The benchmark Australian iron ore fines 62% Fe rose by US\$2.25/t to US\$115/t C.F.R., following increases on the S.G.X. and D.C.E. platforms. Chinese banks' deposit rate cuts and expectations of economic stimuli contributed to the rise in demand. Additionally, inventory levels at ports decreased by 0.55 million tonnes to 126.2 million tonnes this week. The finished steel market also tightened as the cost of raw materials rose, pushing the quotes higher. However, China's National Bureau of Statistics reported a slump in producer prices, indicating a weak economy, despite optimism that government intervention would follow.

Crude oil prices declined due to concerns that a potential US-Iran nuclear agreement might result in increased oil supply. Media reports from the Middle East indicated progress in talks between Iran and the U.S. regarding Iran's nuclear program. If the 2015 nuclear deal is restored, sanctions that restricted Iranian oil exports could be lifted. Following the deal's termination by the Trump Administration, Iran's oil production dropped from 3.8mb/d to 2-2.5mb/d. This reaction underscores the prevailing pessimistic sentiment in the market, with the recent reduction in output by Saudi Arabia having a lesser impact..

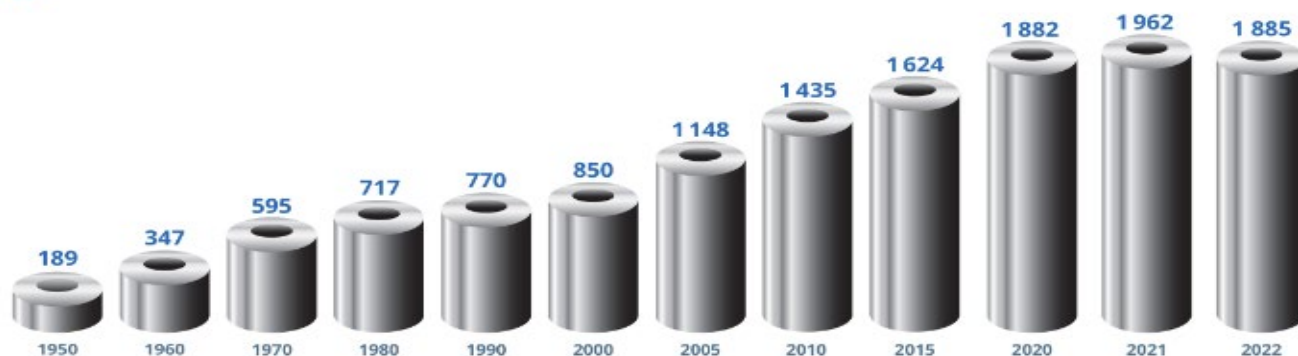
The World **Steel** Association has released the 2023 edition of its report, World Steel in Figures. This publication offers a comprehensive overview of various aspects of the steel industry, ranging from crude steel production to apparent steel consumption, global steel trade flows, and iron ore production and trade.

According to Edwin Basson, the Director General of worldsteel, most countries experienced a slight decline in steel production and consumption in 2022. This can be attributed to the lasting impact of COVID-19 restrictions on the industry. Global Steel Production in 2022 Fell the Most since 2009.

However, any future growth in steel production and demand must align with the goals set forth in the Paris Agreement. In worldsteel's policy paper on climate change, it emphasizes the need for the steel industry to enhance the efficiency of its existing technologies while also rapidly developing and implementing new steelmaking technologies on a large scale. Basson acknowledges the efforts of many worldsteel members who are actively working towards this objective.

World Steel in Figures 2023

World crude steel production 1950 to 2022 (million tonnes)



Top 20 steel-producing countries 2022 (million tonnes)

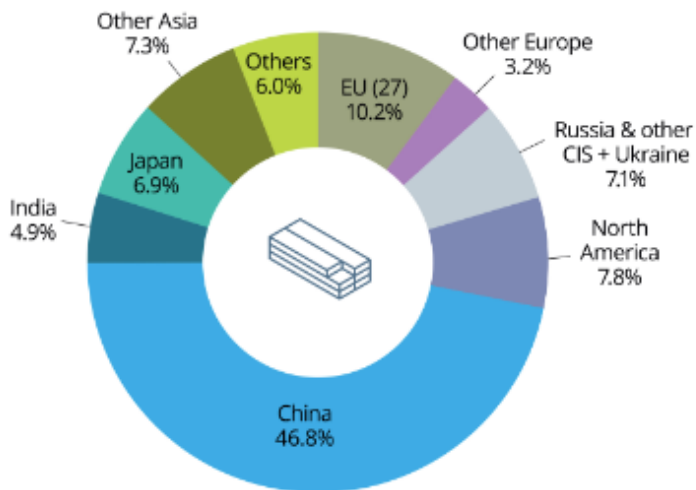


Steel production and use: geographical distribution in 2012 & 2022

CRUDE STEEL PRODUCTION

2012

World total: 1 563 million tonnes

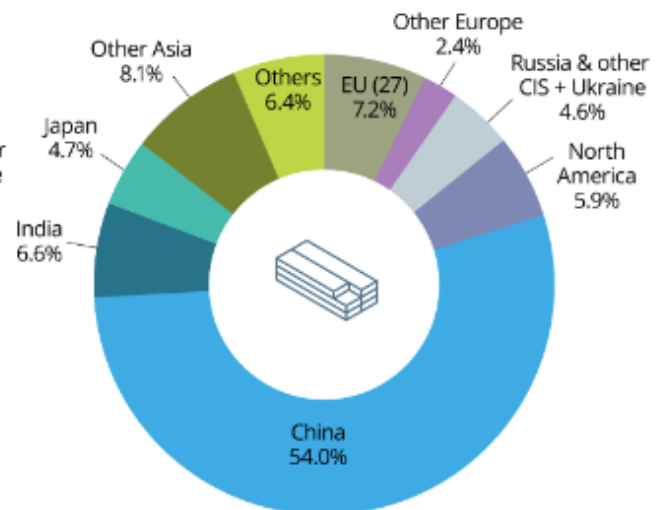


Others comprise:

Africa	1.0%	South America	3.0%
Middle East	1.6%	Australia and New Zealand	0.4%

2022

World total: 1 885 million tonnes



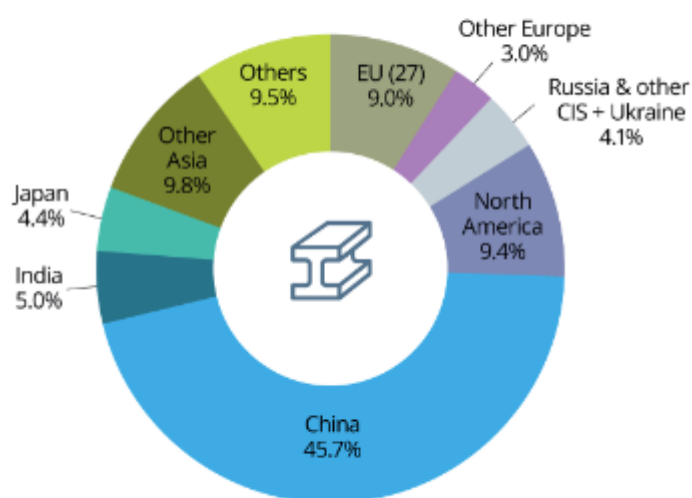
Others comprise:

Africa	1.1%	South America	2.3%
Middle East	2.7%	Australia and New Zealand	0.3%

APPARENT STEEL USE (FINISHED STEEL PRODUCTS)

2012

World total: 1 445 million tonnes

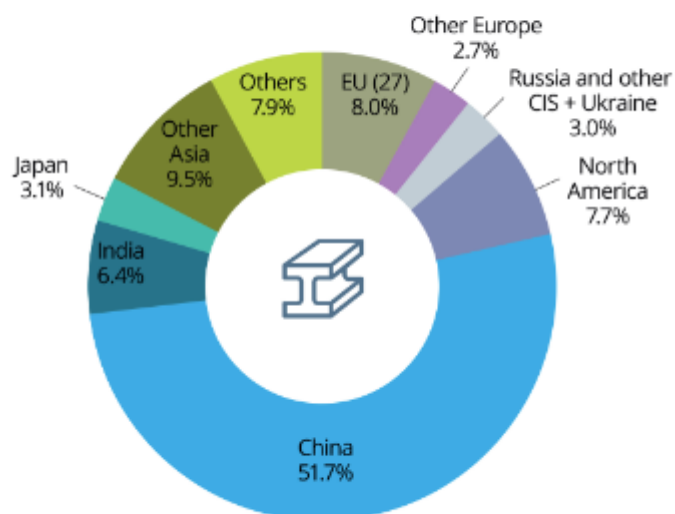


Others comprise:

Africa	2.3%	South America	3.2%
Middle East	3.5%	Australia and New Zealand	0.5%

2022

World total: 1 781 million tonnes



Others comprise:

Africa	2.3%	South America	2.3%
Middle East	2.9%	Australia and New Zealand	0.4%

(Source: World Steel Association)

While in **Copper** markets, which is traditionally considered a leading indicator of global economic health, the prices have taken a hit due to weaker demand from China, the largest consumer of the metal, amid disappointing economic data. The slowdown in China's property market and a string of underwhelming economic releases have dampened sentiment for base metals. Despite April's industrial output growth of 5.6%, it fell short of expectations, along with lower-than-anticipated retail sales figures.

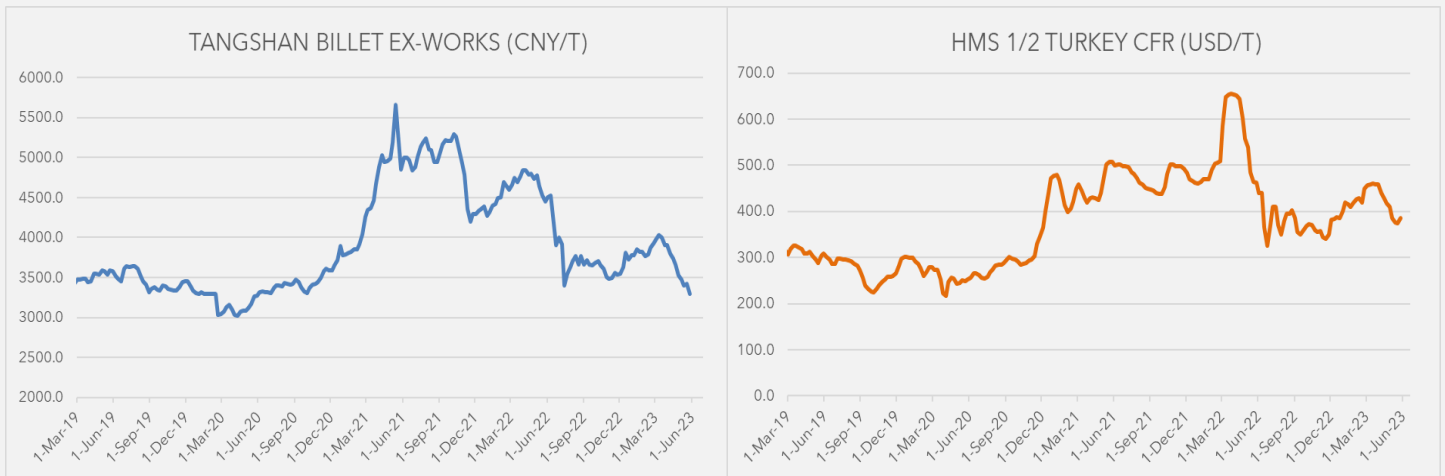
Copper is trading down by more than 8% so far this month in the key London Metal Exchange and a similar trend was witnessed in the China Shanghai futures as well.

Cooling demand is evident as consumer prices barely grew, and imports and exports have slowed globally. The U.S. Federal Reserve's aggressive policies and a resilient U.S. dollar have further impacted business activities and commodity prices. However, the long-term outlook for copper remains positive, driven by economic growth, technological advancements, and sustainability initiatives.

Global **ferrous scrap** prices experienced slight growth this week, with adjustments noticed across different grades. Trade flow remained stable in the South Asian market, particularly in India and Pakistan, while Bangladesh made smaller contributions, including bookings at Japan's Kanto scrap tender. Turkey witnessed several deals at consistent levels from suppliers in Europe, the US, and the Baltic region.

Following the Kanto tender for June, Japanese ferrous scrap export prices have risen. Both Shagang Steel in China and Tokyo Steel have also made revisions to their purchase prices during the week.

MS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	PRICE/MT	CHANGE W-O-W	CHANGE Y-O-Y	LAST WEEK	LAST YEAR
Iron Ore Fines, C.N.F. Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$112	+5.66%	-23.80%	US\$106	US\$147
Iron Ore Fines, C.N.F. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$115	+10.57%	-19.01%	US\$104	US\$142

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	372.75	+1.65	+0.44%	Jul 2023
3Mo Copper (L.M.E.)	USD / MT	8,237.00	-6.50	-0.08%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,263.50	-19.00	-0.83%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,306.50	+39.50	+1.74%	N/A
3Mo Tin (L.M.E.)	USD / MT	25,651.00	+214.00	+0.84%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	71.74	+1.64	+2.34%	Jul 2023
Brent Crude (I.C.E.)	USD / bbl.	76.13	+1.85	+2.49%	Aug 2023
Crude Oil (Tokyo)	J.P.Y. / kl	63,900.00	+1,250.00	+2.00%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.17	+0.01	+0.65%	Jul 2023

Note: all rates as at C.O.B. London time June 9, 2023.



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